

EXHIBIT 8

Testimony of Gerard J. Howe

384199.3

**BEFORE THE
ILLINOIS COMMERCE COMMISSION**

In the Matter of)	
)	
Big River Telephone Company, LLC)	
)	
Application for a Certificate of)	Docket No. 01-_____
Local and Interexchange Authority)	
to Operate as a Facilities-Based Carrier)	
and Reseller of Telecommunications)	
Services Throughout the State of Illinois)	

**TESTIMONY OF GERARD J. HOWE
ON BEHALF OF
BIG RIVER TELEPHONE COMPANY, LLC**

Gerard J. Howe
President and Chief Executive officer
Big River Telephone Company, LLC
24 South Minnesota Avenue
Cape Girardeau, MO 63072
(573) 651-5298 (Tel.)

Dated: August 21, 2001

1 **I. INTRODUCTION**

2
3 **Q: PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND TELEPHONE**
4 **NUMBER.**

5
6 **A:** My name is Gerard J. Howe. My business address is Big River Telephone Company,
7 LLC, 24 South Minnesota Avenue, Cape Girardeau, Missouri 63072. My telephone
8 number is (573) 651-5298.

9
10 **Q: WHAT IS YOUR POSITION WITH BIG RIVER TELEPHONE COMPANY,**
11 **LLC?**

12
13 **A:** I am the President and Chief Executive Officer of Big River Telephone Company, LLC.
14 (“Big River” or “Applicant”).

15
16 **Q: WHAT ARE YOUR RESPONSIBILITIES AS PRESIDENT AND CHIEF**
17 **EXECUTIVE OFFICER OF BIG RIVER?**

18
19 **A:** In my capacity as President and Chief Executive officer, I direct the Applicant’s business
20 policies as well as its regulatory policies with respect to government affairs issues,
21 including certifications, and I coordinate business development opportunities on behalf of
22 the Applicant.

23
24 **Q: PLEASE DESCRIBE YOUR PREVIOUS PROFESSIONAL EXPERIENCE AND**
25 **QUALIFICATIONS.**

26
27 **A:** Prior to Big River, I spent 23 years in various telecommunications companies, including
28 18 years at SBC Communications, formerly Southwestern Bell. Immediately prior to
29 joining Big River, I was the President and Chief Operating Officer of Gabriel
30 Communications, a full service communications company providing local, long distance
31 and Internet services. Immediately prior to founding Gabriel Communications, I spent 2
32 years with Brooks Fiber Properties (“BFP”) as Senior Vice President – Finance. Brooks
33 Fiber Properties was a leading full-service provider of competitive local
34 telecommunications and long distance services in 44 metropolitan areas across the United
35 States. Brooks Fiber Properties was acquired by WorldCom, Inc. During my tenure with

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1 SBC Communications, I held a variety of executive positions in the areas of Finance,
2 Regulatory Affairs, Information Technology, and Customer Service. From 1993 through
3 1995, I served as the Chief Financial Officer of SBC Cablecomms, U.K., a competitive
4 cable/telephone service provider in the U.K.

5
6 I hold a B.S. in Mathematics from Southern Illinois University and an MBA from St.
7 Louis University.

8
9 **Q: HAVE YOU TESTIFIED BEFORE THE ILLINOIS COMMERCE COMMISSION**
10 **("COMMISSION") PREVIOUSLY?**

11
12 **A:** No, I have not.

13
14 **Q: ARE YOU FAMILIAR WITH THE APPLICATION THAT BIG RIVER HAS**
15 **SUBMITTED FOR A CERTIFICATE OF LOCAL AND INTEREXCHANGE**
16 **AUTHORITY TO OPERATE AS A RESELLER AND FACILITIES-BASED**
17 **CARRIER OF TELECOMMUNICATIONS SERVICES THROUGHOUT THE**
18 **STATE OF ILLINOIS?**

19
20 **A:** Yes, I am.

21
22 **Q: IS THERE ANY UPDATED INFORMATION TO PROVIDE REGARDING THIS**
23 **APPLICATION?**

24
25 **A:** No. There are no changes or updated information to add to the original Application.

26
27 **Q: DO YOU RATIFY THE STATEMENTS THAT ARE MADE IN BIG RIVER'S**
28 **APPLICATION?**

29
30 **A:** Yes, I do.

31
32 **II. PURPOSE AND SUMMARY**

33
34 **Q: WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

35
36 **A:** I submit this testimony on behalf of Big River to describe Big River and the services it
37 proposes to offer in Illinois, and to demonstrate Big River's financial, technical,
38 managerial, and operational capabilities to operate as a provider of competitive facilities-
39 based and resold local exchange service and interexchange service in Illinois.

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1 **Q: PLEASE DESCRIBE THE AUTHORITY THAT BIG RIVER SEEKS FROM THE**
2 **COMMISSION.**

3
4 **A:** Pursuant to Sections 13-403, 13-404, and 13-405 of the Illinois Public Utilities Act
5 (“Act”), Big River respectfully requests authority to provide competitive resold and
6 facilities-based local exchange and resold and facilities-based interexchange services
7 throughout the State of Illinois. Big River intends to operate telecommunications
8 facilities, including a microwave network, in connection with its provision of
9 interexchange telecommunications services in Illinois. The microwave network extends
10 from Cape Girardeau, Missouri to Paducah, Kentucky and includes tower sites located in
11 Joppa, Pulaski, and Honeyschool, Illinois. However, Big River also will provide services
12 by reselling the services of other certificated local exchange and interexchange carriers in
13 Illinois or by leasing telecommunications facilities from other carriers.

14
15 Big River is in the process of acquiring the assets and customer base of LDD, Inc.
16 (including the microwave network referenced above), and will assume provision of all of
17 the services of LDD, Inc. Big River and LDD, Inc. have notified the Commission of this
18 transfer of customers and assets by a separate filing with the Commission.

19
20 **Q: IS BIG RIVER AUTHORIZED TO PROVIDE SUCH SERVICE IN ANY OTHER**
21 **JURISDICTIONS?**

22
23 **A:** Yes. Big River is authorized to provide facilities-based and resold local exchange and
24 interexchange telecommunications services in Missouri and Kentucky and has
25 applications pending to provide such services in Alabama, Arkansas, Indiana,
26 Mississippi, and Tennessee.

27
28 **Q: HAS BIG RIVER EVER BEEN DENIED AUTHORIZATION BY A STATE**
29 **REGULATORY AGENCY?**

30
31 **A:** No, Big River has never been denied authorization by a state regulatory agency.
32
33
34

1 Q: PLEASE DESCRIBE THE CORPORATE STRUCTURE OF BIG RIVER.

2
3 A: Big River is a limited liability company incorporated in Delaware on May 2, 2001. A
4 copy of Big River's Articles of Incorporation is attached to the Application as Exhibit 2.

5
6 Q: IS BIG RIVER LEGALLY AUTHORIZED TO DO BUSINESS IN ILLINOIS?

7
8 A: Yes. A copy of Big River's Certificate of Authority to Transact Business in Illinois is
9 attached to the Application as Exhibit 2.

10
11 **III. MANAGERIAL AND TECHNICAL QUALIFICATIONS**

12
13 Q: PLEASE ADDRESS BIG RIVER'S MANAGERIAL AND TECHNICAL
14 QUALIFICATIONS.

15
16 A: Big River has the managerial and technical qualifications to provide competitive local
17 exchange and interexchange telecommunications service in Illinois. Big River's
18 management team has considerable experience in marketing, network operations,
19 financial analysis/accounting, customer service, training, sales, regulatory, and other
20 relevant areas. A description of the telecommunications experience and expertise of Big
21 River's key management personnel is attached to its Application as Exhibit 3. As the
22 biographies of Big River's key personnel demonstrate, these individuals have substantial
23 experience in various aspects of major telecommunications operations. Each member of
24 Big River's management team will draw upon his or her own experience, as well as the
25 collective experience of the entire management team, to ensure that Big River is managed
26 and operated efficiently and profitably.

27
28 **IV. FINANCIAL QUALIFICATIONS**

29
30 Q: PLEASE DESCRIBE BIG RIVER'S FINANCIAL QUALIFICATIONS.

31
32 A: Big River is financially qualified to provide the proposed telecommunications services
33 within the State of Illinois. A copy of Big River's income statement and balance sheet
34 was submitted with its Application as Exhibit 4 (filed under seal under a Motion for

1 Confidential Treatment). The numbers contained in these financial statements reflect Big
2 River's purchase of the assets of LDD, Inc., including its customers and accounts
3 receivable. The numbers for years 2000-2001 reflect the operations of LDD, Inc. The
4 numbers for year 2002 are projections of the assets and revenue of Big River after the
5 acquisition of LDD, Inc. is completed and include Big River's capital investment.
6 Moreover, as discussed in Exhibit 4 of the Application, Big River will be raising
7 additional capital to fund its proposed telecommunications operations. Therefore, Big
8 River has sufficient assets available to fund its proposed Illinois operations, including
9 cash and accounts receivable.

10
11 Big River is committed to building long-term strategic value, not short-term gain, and
12 thus will continue to invest in Illinois, the revenue from which is expected to be realized
13 at a later time. Big River expects its revenues will increase as its customer base
14 increases.

15
16 **V. BIG RIVER'S PROPOSED SERVICES**

17
18 **Q: PLEASE DESCRIBE THE TYPES OF SERVICES THAT BIG RIVER WILL**
19 **OFFER IN ILLINOIS.**

20
21 **A:** Big River seeks authority to provide all forms of competitive local exchange and
22 interexchange services both over its own facilities and through the resale of the services
23 of other certificated carriers to business and residential customers throughout the State of
24 Illinois. Such services may include:

- 25
- 26 • Local Exchange Services: Switched and dedicated services providing local telephone
27 service, including local dial tone service, to business and residential customers – e.g.,
28 basic services, PBX services, custom calling features, blocking/unblocking services,
29 directory listings, operator services, ISDN service, and high-speed data services.
 - 30 • Switched Access Services: Switched services offered to interexchange carriers that
connect a customer to a point of presence (“POP”) and an interexchange carrier.

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- 1 • Special Access and Private Lines: Non-switched dedicated connections, including
2 high-capacity interconnections between: (a) the POPs of an interexchange carrier, (b)
3 the POPs of different interexchange carriers; (c) the POPs of an interexchange carrier
4 and local exchange carrier end offices, (d) large customers and their selected
5 interexchange carrier POPs, and (e) different locations of particular customers. These
6 services may include private line and frame relay services.
- 7 • Long Distance Services: Switching and transport of interexchange traffic, including
8 voice and data, toll-free service, and calling card service.

9
10 **Q: HOW WILL BIG RIVER PROVIDE THESE SERVICES?**

11
12 **A:** Big River intends to operate telecommunications facilities, including a microwave
13 network, in connection with its provision of interexchange telecommunications services
14 in Illinois. This microwave network along with other leased network facilities will allow
15 Big River to have a point of presence in various communities and interconnect with local
16 telecommunications networks. However, Big River also will provide services in Illinois
17 by reselling the services of other certificated local exchange carriers, including
18 Ameritech, Verizon, and Citizen Communications, and interexchange carriers, including
19 MCI WorldCom.

20
21 **Q: WHAT GEOGRAPHIC AREAS WILL BIG RIVER TELECOM SERVE?**

22
23 **A:** Big River seeks authority to provide all forms of facilities-based and resold local
24 exchange, exchange access, and interexchange services to residential and business
25 customers throughout the State of Illinois. Initially, Big River will provide local
26 exchange service primarily in a geographic area currently served by Ameritech and
27 Verizon. However, Big River requests statewide authority so it can expand its service
28 areas in the future according to customer demand.

29

30

31

1 **Q: HOW WILL BIG RIVER HANDLE CUSTOMER SERVICE?**

2

3 **A:** Big River will handle customer service orders, requests, inquiries, and/or complaints
4 through its toll-free number at 1-800-747-9434. This number will be printed on customer
5 invoices. Big River's customer service center is available twenty-four hours a day, seven
6 days a week. Big river will provide industry standard service level commitments as
7 agreed upon in each of its customer agreements. Resolution and/or escalation of customer
8 service complaints will be handled in conformity with applicable Commission
9 regulations.

10

11 **Q: WHO IS THE PERSON WITHIN BIG RIVER THAT IS RESPONSIBLE FOR**
12 **THE HANDLING OF CONSUMER COMPLAINTS, INCLUDING THOSE THAT**
13 **MAY BE FORWARDED TO THE COMPANY BY THIS COMMISSION?**

14

15 **A:** Jody Simmons, Customer Services Manager, is responsible for the handling of consumer
16 complaints. She may be reached at Big River's offices in Cape Girardeau Missouri at
17 (573) 651-5298 or via fax at (573) 651-3605.

18

19 **VI. COMPLIANCE WITH THE COMMISSION'S RULES, REGULATIONS AND**
20 **POLICIES.**

21

22 **Q: IF AUTHORIZED TO PROVIDE COMPETITIVE TELECOMMUNICATIONS**
23 **SERVICES, WILL BIG RIVER ABIDE BY THE RULES, REGULATIONS,**
24 **POLICIES AND ORDERS OF THIS COMMISSION, AND THE LAWS OF THE**
25 **STATE OF ILLINOIS, IN ITS PROVISION OF COMPETITIVE INTRASTATE**
26 **LOCAL EXCHANGE AND INTEREXCHANGE SERVICES?**

27

28 **A:** Yes, we will. As a new entrant in the Illinois telecommunications marketplace, Big River
29 will provide service in the State in full compliance with all applicable rules and
30 regulations that have been adopted relating to the provision of local exchange service and
31 interexchange service, as well as any other applicable state or federal rules, regulations,
32 or statutes. For example, Big River will comply with any competitively neutral
33 requirements that the Commission and/or the State of Illinois may feel are necessary to
34 preserve and advance universal service, protect the public safety and welfare, ensure the

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1 continued quality of local services, and safeguard the rights of consumers. Big River also
2 will comply with all statutory and Commission requirements concerning the filing of
3 tariffs; customer notification of rate increases; customer billing and credit issues; access
4 to 9-1-1 services; access to telecommunications for persons with disabilities; pay-per-call
5 services; and the filing of regulatory reports and the payment of regulatory assessments.

6
7 **Q: IF GRANTED CERTIFICATION TO PROVIDE LOCAL SERVICE IN**
8 **ILLINOIS, WILL BIG RIVER ABIDE BY THE RULES AND REGULATIONS**
9 **OF THIS COMMISSION, AS NOW ADOPTED OR THAT MAY BE ADOPTED**
10 **IN THE FUTURE?**

11
12 **A:** Yes, we will.

13 **Q: ARE YOU AWARE THAT, IF GRANTED CERTIFICATION TO PROVIDE**
14 **LOCAL EXCHANGE SERVICE, BIG RIVER MUST COMPLY WITH THE**
15 **COMMISSION'S RULES CONCERNING THE PRESERVATION OF RECORDS**
16 **IN ACCORDANCE WITH 83 ILL. ADM. CODE PART 705?**

17
18 **A:** Yes, I am. Big River recognizes its obligation to comply with the regulations imposed on
19 LECs concerning the preservation of records to the same extent and in the same manner
20 as the incumbent LECs.

21
22 **Q: ARE YOU AWARE THAT, IF GRANTED CERTIFICATION TO PROVIDE**
23 **LOCAL EXCHANGE SERVICE, BIG RIVER WILL BE REQUIRED TO**
24 **COMPLY WITH THE COMMISSION'S RULES CONCERNING THE**
25 **IMPLEMENTATION OF 911 EMERGENCY SERVICES, AND THE FILING OF**
26 **REPORTS ON 911 IMPLEMENTATION?**

27
28 **A:** Yes, I am, and Big River intends to comply with those requirements and fully meet all of
29 its obligations as a competitive local exchange carrier.

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1 **Q: WHO IS THE PERSON WITHIN BIG RIVER THAT IS RESPONSIBLE FOR**
2 **THE HANDLING OF 911 ISSUES?**

3
4 **A:** Jody Simmons, Customer Services Manager, is responsible for the handling of 911
5 issues. She may be reached at Big River's offices in Cape Girardeau Missouri at (573)
6 651-5298 or via fax at (573) 651-3605.

7 **Q: DOES BIG RIVER INTEND TO COMPLY WITH THE COMMISSION'S RULES**
8 **CONCERNING THE PROVISION OF TELEPHONE RELAY SERVICES AND**
9 **OTHER REQUIREMENTS CONCERNING THE PROVISION OF SERVICE TO**
10 **PERSONS WITH DISABILITIES?**
11

12 **A:** Yes, we will. To the extent they apply to competitive providers of local exchange and
13 interexchange services, Big River will comply with the Commission's regulations
14 concerning Telecommunications Relay Services, access for persons with disabilities, and
15 telephone assistance programs. Big River intends to comply with those requirements
16 including the provision of TTY distribution and the Telecommunications Relay Service
17 by contracting with incumbent LECs.
18

19 **Q: WILL BIG RIVER COMPLY WITH THE COMMISSION'S RULES**
20 **CONCERNING THE UNIVERSAL SERVICE OBLIGATIONS OF LOCAL**
21 **EXCHANGE CARRIERS, INCLUDING REGULATIONS CONCERNING**
22 **CONTRIBUTIONS TO THE UNIVERSAL TELEPHONE ASSISTANCE**
23 **CORPORATION?**
24

25 **A:** Yes, we will. Big River recognizes that the responsibility to ensure that the goal of
26 universal service is met for all consumers must be shared by all LECs. Big River will
27 comply with the requirements of Ill. Adm. Code Part 757, including joining the Universal
28 Telephone Assistance Corporation ("UTAC"), and meeting the requirements concerning
29 the solicitation and remittance of contributions, and the filing of appropriate reports with
30 the Commission in the same manner as the incumbent LECs. Big River submitted its
31 UTAC membership application as Exhibit 6 to its Application. Big River will comply
32 with all rules and requirements imposed on LECs, as now adopted or as may be adopted in
33 the future, in order to bear its fair share of that responsibility.

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Q: HOW WILL BIG RIVER GUARD AGAINST SLAMMING?

A: Big River will comply with Illinois law, any applicable Commission regulations, and the recently revised Federal Communications Commission's ("FCC's") regulations regarding how carriers may change a consumer's local exchange carrier or primary interchange carrier ("PIC").

VII. WAIVERS AND VARIANCES

Q: BIG RIVER HAS REQUESTED A WAIVER FROM CERTAIN PROVISIONS OF THE ILL. ADM. CODE. WHAT IS THE BASIS FOR THESE REQUESTS?

A: The Commission in other cases has found that it is not necessary to apply certain regulatory provisions to competitive service providers and has exempted competitive carriers from the application of these provisions. It is my understanding that the Commission has previously waived or declared inapplicable portions of 83 Ill. Adm. Code Parts 710 and 735 for competitive carriers as such waivers reduce the economic burdens of regulation and are not inconsistent with the law or the purposes and policies of Article XIII of the Act.

Q: PLEASE DESCRIBE BIG RIVER'S REQUEST FOR A VARIANCE FROM 83 ILL. ADM. CODE PART 735.180.

A: Big River seeks a variance of Part 735.180, which requires LECs to publish and distribute directories to their customers. Big River plans to negotiate an agreement with its underlying carrier(s), Ameritech Illinois and/or other local exchange providers, pursuant to which the underlying carrier will include Big River's customer listings in its directories and distribute them to Big River's customers. As a result, Big River respectfully requests a variance from the requirement that it publish and distribute its own directories.

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1 **Q: PLEASE DISCUSS THE BASIS FOR BIG RIVER'S REQUEST FOR A WAIVER**
2 **OF 83 ILL. ADM. CODE PART 710.**

3
4 **A:** Part 710 requires compliance with the Uniform System of Accounts ("USOA"). While
5 this provision is appropriately applied to incumbent LECs that have market power, it
6 imposes unnecessary and burdensome requirements on new entrants that are inconsistent
7 with a competitive environment. Big River's size and lack of market power are special
8 circumstances that warrant a waiver of the USOA requirement. Big River keeps its
9 books in accordance with Generally Accepted Accounting Principles ("GAAP"), which
10 will result in a substantially equivalent portrayal of its operating results and financial
11 condition and will maintain uniformity in the substantive results as among
12 telecommunications companies. Finally, it is my understanding that the Commission has
13 waived Part 710 for other competitive carriers in Illinois, including MFS Intelenet of
14 Illinois, Inc. (Docket No. 93-0409) and MCI Metro Access Transmission Services, Inc.
15 (Docket No. 94-0400). Big River seeks the same treatment.

16
17 **Q: PLEASE DESCRIBE BIG RIVER'S REQUEST FOR A WAIVER OF THE**
18 **REQUIREMENT TO MAINTAIN BOOKS AND RECORDS IN THE STATE OF**
19 **ILLINOIS PURSUANT TO 83 ILL. ADM. CODE 250.20?**

20
21 **A:** Big River respectfully requests a waiver pursuant to 83 Ill. Adm. Code 252.20 so that it
22 can maintain its books and records at its principal place of business outside the state of
23 Illinois. Big River is headquartered in Cape Girardeau, Missouri and maintains its books
24 and records at that location. Therefore, Big River respectfully requests that the
25 Commission grant it a waiver to maintain its books and records at its principal place of
26 business in Cape Girardeau, Missouri.

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Q: DOES BIG RIVER PLAN TO FILE FOR A WAIVER OF PART 725.500(o) AND 725.620(b) -- REQUIRING THE INSTALLATION OF CALL BOXES --IN THE FUTURE?

A: Yes, we will. However, if the Commission will grant the waiver request expeditiously with this Application, we request a waiver of this requirement. Otherwise, we will ask for this waiver at a later time.

Q: THE COMMISSION'S CONSUMER SERVICES DIVISION REQUESTS THAT CARRIERS THAT ARE CERTIFIED TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE SERVICE NOTIFY THE DIVISION AT LEAST ONE MONTH PRIOR TO THE ACTIVATION OF LOCAL EXCHANGE AND INTEREXCHANGE SERVICES, IN ORDER THAT THE DIVISION MAY ASSURE THE NEW ENTRANT'S COMPLIANCE WITH THE COMMISSION'S RULES. WILL BIG RIVER SO NOTIFY THE DIVISION ON A TIMELY BASIS PRIOR TO THE ACTIVATION OF LOCAL SERVICE?

A: Yes, we will.

VII. CONCLUSION

Q: DOES THIS CONCLUDE YOUR TESTIMONY?

A: Yes, it does. However, I reserve the right to amend or modify my testimony, as appropriate.

---END OF TESTIMONY---